(vi) To examine procedure for disbursement of subs-dy under IRDP i.e. switch over from the frontend subsidy to back-end subsidy.

Taxation Law for Partnership Firms

1466. SMT. ILA PANDA: Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that the tax proposals in the 1993-94 budget have caused hardship to partnership firms which are obliged to change partnership deeds every year *to* provide for partners' salaries; and

(b) whether Government are consider ing to ease the taxation law for partnership firms ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (A)
The Finance Act, 1993 did not introduce any amendments to the Income-tax Act which would make it incumbent for partnership firms to chage partnership deeds every year to provide for partners' salaries.

(b) In view of answer to part (a) of the question reply to this part does not arise.

Negotiation for Another Loan from IMF

1467. SHRIMATI ILA PANDA: Will the Minister of FINANCE be pleased to state :

(a) whether Government are negotiating for another loan under the extended fund facility from the IMF ; and

(b) the need for a new IMF loan in view of the present comfortable foreign exchange reserve position ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Yes Sir, the Government has held preliminary discussions with th3 International Monetary Fund for possible assistance under the Extended Fund facility with a blend of concessional resources under Enhanced Structural Adjustment Facility. This assistence will enable us to bridge the exceptional financing gap in our balance of payment over the medium term (1994—97). Although the present exchange reserve position is satisfactory, substantial repayments to IMF are scheduled during the period 1994—96 and the envisaged assistance from the Fund under the extended arrangement provides a cushion against exogenous shocks.

Licence *to* Times Guaranty

1468. SHRI SURESH KALMADI:

SHRI GOVINDRAO RAMARAO ADIK:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has issued a licence to Time-Guaranty—a division of Bennet Coleman;

(b) whther it is also a fact that Times Guaranty has been accorded preference over several other applicants in the queue;
and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) Reserve Bank of India (RBI) have not issued any banking licence to Times Guarantee Financial Ltd. However, M/s. Bennet Coleman & Co. Ltd., which had sought RBI's permission for setting up a new private sector bank, have been given 'in principle' approvaL The application received from M/s. Bennet Coleman *& Co.* is the sixth application on which 'in principle' appro-i val has been given by RBI.